

Taylor, Morell & Gitomer

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December 22, 1993

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RECORDATION NO. 18468-L FILED 1423

DEC 22 1993 -3 40 PM

INTERSTATE COMMERCE COMMISSION

Honorable Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, DC 20423

Dear Secretary Strickland:

I have enclosed three originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11303.

The document is Lease Supplement No. 2, a secondary document, dated December 22, 1993. The primary document to which this is connected is recorded under Recordation No. 18468. We request that this document be recorded under Recordation No. 18468-L.

The names and addresses of the parties to Lease Supplement No. 2 are:

Lessee:

Southern Pacific Transportation Company
One Market Plaza
Room 666
San Francisco, CA 94105

Lessor:

The CIT Group/Equipment Financing, Inc.
1211 Avenue of the Americas
21st Floor
New York, NY 10036

A description of the equipment covered by Lease Supplement No. 2 consists of 115 100-ton quadruple hopper cars numbered as follows: CTRN 600001, 600003-600014, inclusive, 600016-600021, inclusive, 600027, 600029, 600034, 600035, 600071-600124, inclusive, 600126-600139, inclusive, 600141, 600144-600156, inclusive, and 600158-600167, inclusive.

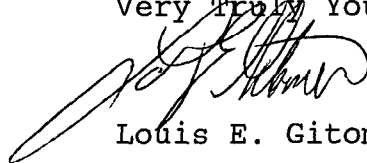
Honorable Sidney L. Strickland, Jr.
December 22, 1993
Page 2

A fee of \$18.00 is enclosed. Please return two originals
to:

Louis E. Gitomer
Taylor, Morell & Gitomer
Suite 210
919 18th Street, N.W.
Washington, DC 20006

A short summary of the document to appear in the index
follows: Lease Supplement No. 2, between Southern Pacific
Transportation Company, One Market Plaza, Room 666, San
Francisco, CA 94105, and The CIT Group/Equipment Financing, Inc.,
1211 Avenue of the Americas, 21st Floor, New York, NY 10036,
covering 115 100-ton quadruple hopper cars numbered as follows:
CTRN 600001, 600003-600014, inclusive, 600016-600021, inclusive,
600027, 600029, 600034, 600035, 600071-600124, inclusive, 600126-
600139, inclusive, 600141, 600144-600156, inclusive, and 600158-
600167, inclusive.

Very Truly Yours,



Louis E. Gitomer

Enclosure

DEC 22 1993 -3 40 PM

LEASE SUPPLEMENT NO. 2

INTERSTATE COMMERCE COMMISSION

LEASE SUPPLEMENT No. 2, dated December 22, 1993 (this "Lease Supplement"), between The CIT Group/Equipment Financing, Inc., a New York corporation ("Lessor"), and Southern Pacific Transportation Company, a Delaware corporation ("Lessee").

Lessor and Lessee have heretofore entered into that certain Amended and Restated Equipment Lease Agreement, dated as of December 22, 1993 (as amended and supplemented from time to time, the "Lease Agreement") relating to the lease of certain railcars by Lessor to Lessee. Capitalized terms used herein without definition shall have the respective meanings set forth in the Lease Agreement. The Lease Agreement provides for the execution and delivery from time to time of Lease Supplements for the purpose of leasing the Equipment under the Lease Agreement as and when delivered in accordance with the terms thereof.

1. This Lease Supplement relates to the Items of Equipment described below and the Lease Agreement is made a part hereof.

2. This Lease Supplement is being filed for recordation with the Interstate Commerce Commission.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Lessor hereby delivers and leases to Lessee under the Lease Agreement and hereunder and Lessee hereby accepts and leases from Lessor under the Lease Agreement and hereunder one hundred fifteen (115) aluminum/steel 100-ton quadruple hopper cars designed for rotary or bottom dump service manufactured by Johnstown America Corporation ("Manufacturer") and identified on Schedule A hereto. Lessee acknowledges that Lessor has full right, title and interest of ownership in the Items of Equipment leased hereby, free and clear of any lien, claim, charge or other encumbrance other than the leasehold interest created in favor of Lessee pursuant to the Lease Agreement and hereunder.

2. The Commencement Date of the lease for the Items of Equipment leased hereby is the date of this Lease Supplement set forth in the opening paragraph hereof. The Initial Term for the Items of Equipment leased hereby shall commence on the Commencement Date and end on January 1, 2009.

3. Lessee shall pay to Lessor, in accordance with the terms of the Lease Agreement, as basic rent, Rental Payments with respect to the Initial Term of the lease for the Items of Equipment leased hereby in an amount set forth in Schedule B hereto on the Payment Dates set forth on Schedule B hereto.

4. Lessor's aggregate purchase price for all Items of Equipment leased hereby is \$5,637,410.40 and Lessor's purchase price for each Item of Equipment ("Per Item Purchase Price") is \$49,020.96. Lessee hereby represents and warrants to the Lessor that the aggregate purchase price and Per Item Purchase Price set forth above is the aggregate purchase price for the Items of Equipment and the purchase price for each Item of Equipment, respectively, payable by Lessee to Manufacturer under the Purchase Documents and the manufacturer of the wheels attached to such Items of Equipment under the related Purchase Documents. For purposes of the Lease Agreement and this Lease Supplement, the Stipulated Loss Value of each Item of Equipment shall be determined by multiplying the Stipulated Loss Value Percentage (as specified in Schedule C hereto) applicable to the applicable Succeeding Payment Date or Next Succeeding Payment Date, as defined in Section 13 of the Lease Agreement (in the event of a Loss), or in which payments upon an Event of Default are required by Lessor to be made (in the event of an Event of Default), by the Per Item Purchase Price.

5. Lessee hereby confirms to Lessor that Lessee has accepted the Items of Equipment leased hereby for all purposes hereof and of the Lease Agreement as being in good working order and repair and without defect or inherent vice in title, condition, design, operation or fitness for use; provided, however, that nothing contained herein or in the Lease Agreement shall in any way diminish or otherwise affect any right Lessee or Lessor may have with respect to the Equipment leased hereby against Manufacturer (or the manufacturer of the wheels) or any subcontractor or supplier of Manufacturer (or the manufacturer of the wheels), under the Purchase Documents or otherwise.

6. In the event that the financing of the Items of Equipment hereunder and/or any other Lease Supplement and under the Lease Agreement is deemed by a court of competent jurisdiction to be a lease intended for security, to secure payment and performance of Lessee's obligations under the Lease Agreement and this Lease Supplement and all other Fundamental Agreements, Lessee grants Lessor and its assigns and their successors a first priority security interest in the Items of Equipment identified herein and in all attachments, accessories, additions, substitutions, products, replacements, rentals and proceeds (including insurance proceeds) therefrom (collectively, "Collateral").

Lessee shall execute and timely deliver to Lessor financing statements or any other documents Lessor deems necessary to perfect or protect Lessor's security interest in the Collateral. Lessor or Lessor's agent may file as a financing statement the Lease Agreement and/or this Lease Supplement (or copy thereof, where permitted by law) as Lessor deems necessary to perfect or protect Lessor's security interest in the Collateral. If Lessee fails to execute any such document, Lessor or Lessor's agent is hereby authorized to file any of the foregoing signed only by Lessor or Lessor's agent.

7. All of the terms and provisions of the Lease Agreement are hereby incorporated by reference in this Lease Supplement to the same extent as if fully set forth herein.

8. This Lease Supplement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

9. This Lease Supplement shall be governed by the internal laws (as opposed to conflicts of laws provisions) laws of the State of New York.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed on the day and year first above written.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: _____
Name:
Title:

SOUTHERN PACIFIC TRANSPORTATION COMPANY

By: _____
Name:
Title:

SCHEDULE A

Equipment description: aluminum/steel 100-ton quadruple hopper cars designed for rotary or bottom dump service

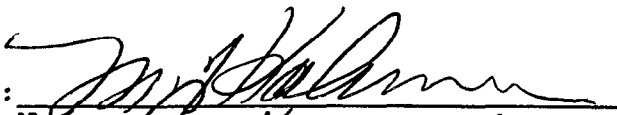
Manufactured by: Johnstown America Corporation

Car Numbers

CTRN 600001
CTRN 600003 - 600014, inclusive
CTRN 600016 - 600021, inclusive
CTRN 600027
CTRN 600029
CTRN 600034
CTRN 600035
CTRN 600071 - 600124, inclusive
CTRN 600126 - 600139, inclusive
CTRN 600141
CTRN 600144 - 600156, inclusive
CTRN 600158 - 600167, inclusive

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed on the day and year first above written.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: 
Name: J. J. Hallman
Title: VP

SOUTHERN PACIFIC TRANSPORTATION COMPANY

By: _____
Name: _____
Title: _____

State of New York)
)
County of _____)

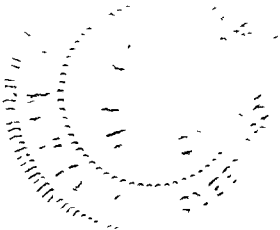
On this ____ day of December, 1993, before me personally appeared, _____, to me personally known, who being by me duly sworn, says that (s)he is the _____ of THE CIT GROUP/EQUIPMENT FINANCING, INC., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on December __, 1993 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

PATRICIA ROSENBERG
Notary Public, State of New York
No 4769477
Qualified in Kings County
Commission Expires Feb 28, 1995

[Notarial Seal]

My commission expires _____.



IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed on the day and year first above written.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: _____
Name:
Title:

SOUTHERN PACIFIC TRANSPORTATION COMPANY

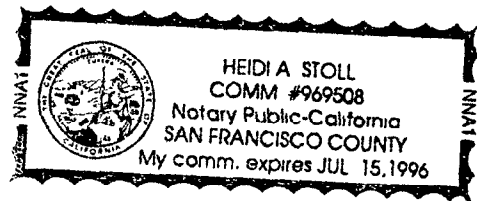
By: *[Signature]*
Name:
Title:

State of California)
)
County of San Francisco)

On December 22, 1993, before me, Heidi A Stoll, Notary Public, personally appeared L. C. Yarberry, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Heidi A. Stoll



LEASE SUPPLEMENT NO. 2

Schedule B

page 1 of 3

Rental Payment Date	Rental
-----	-----
03-Jan-94	13,551.14
01-Apr-94	135,511.39
01-Jul-94	135,511.39
01-Oct-94	135,511.39
01-Jan-95	135,511.39
01-Apr-95	135,511.39
01-Jul-95	135,511.39
01-Oct-95	135,511.39
01-Jan-96	135,511.39
01-Apr-96	135,511.39
01-Jul-96	135,511.39
01-Oct-96	135,511.39
01-Jan-97	135,511.39
01-Apr-97	135,511.39
01-Jul-97	135,511.39
01-Oct-97	135,511.39
01-Jan-98	135,511.39
01-Apr-98	135,511.39
01-Jul-98	135,511.39

Accepted and Agreed To:

(Initials): Southern Pacific: _____

CIT: 

LEASE SUPPLEMENT NO. 2

Schedule B

page 2 of 3

Rental Payment Date	Rental
-----	-----
01-Oct-98	135,511.39
01-Jan-99	135,511.39
01-Apr-99	135,511.39
01-Jul-99	135,511.39
01-Oct-99	135,511.39
01-Jan-2000	135,511.39
01-Apr-2000	135,511.39
01-Jul-2000	135,511.39
01-Oct-2000	135,511.39
01-Jan-2001	135,511.39
01-Apr-2001	135,511.39
01-Jul-2001	135,511.39
01-Oct-2001	135,511.39
01-Jan-2002	135,511.39
01-Apr-2002	135,511.39
01-Jul-2002	135,511.39
01-Oct-2002	135,511.39
01-Jan-2003	135,511.39
01-Apr-2003	135,511.39
01-Jul-2003	135,511.39
01-Oct-2003	135,511.39

Accepted and Agreed To:

(Initials): Southern Pacific:

CIT: 

LEASE SUPPLEMENT NO. 2
Schedule B
page 3 of 3

Rental Payment Date	Rental
-----	-----
01-Jan-2004	135,511.39
01-Apr-2004	135,511.39
01-Jul-2004	135,511.39
01-Oct-2004	135,511.39
01-Jan-2005	135,511.39
01-Apr-2005	135,511.39
01-Jul-2005	135,511.39
01-Oct-2005	135,511.39
01-Jan-2006	135,511.39
01-Apr-2006	135,511.39
01-Jul-2006	135,511.39
01-Oct-2006	135,511.39
01-Jan-2007	135,511.39
01-Apr-2007	135,511.39
01-Jul-2007	135,511.39
01-Oct-2007	135,511.39
01-Jan-2008	135,511.39
01-Apr-2008	135,511.39
01-Jul-2008	135,511.39
01-Oct-2008	135,511.39
01-Jan-2009	135,511.39

Accepted and Agreed To:

(Initials): Southern Pacific:

CIT: 

Lease Supplement No. 2
Schedule "C"

Lease Quarter with respect to which SLV is to be determined	Stipulated Loss Value (%)	Lease Quarter with respect to which SLV is to be determined	Stipulated Loss Value (%)
1	106.201911%	31	95.772780%
2	106.470870%	32	94.936162%
3	106.656129%	33	94.070268%
4	106.788899%	34	93.182669%
5	106.868821%	35	92.287944%
6	106.903972%	36	91.367336%
7	106.889931%	37	90.412718%
8	106.831213%	38	89.434919%
9	106.723295%	39	88.440926%
10	106.578318%	40	87.424386%
11	106.396980%	41	86.389499%
12	106.179114%	42	85.331512%
13	105.920328%	43	84.266925%
14	105.629727%	44	83.182772%
15	105.311661%	45	82.079209%
16	104.962162%	46	80.951485%
17	104.576445%	47	79.816024%
18	104.162339%	48	78.659902%
19	103.719487%	49	77.483237%
20	103.242384%	50	76.281263%
21	102.725366%	51	75.070383%
22	102.177799%	52	73.837656%
23	101.599455%	53	72.583182%
24	100.984705%	54	71.302174%
25	100.327828%	55	70.011017%
26	99.638194%	56	68.696751%
27	98.924394%	57	67.359455%
28	98.177820%	58	65.994321%
29	97.394072%	59	64.617716%
30	96.586484%	60	63.207491%

Accepted and Agreed to:

(Initials): Southern Pacific:

CIT: 